

OIL AND GAS MODIFICATIONS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ralph Okerlund

House Sponsor: Carl R. Albrecht

LONG TITLE

General Description:

This bill addresses the regulation of oil and gas activities.

Highlighted Provisions:

This bill:

- ▶ modifies definition provisions;
- ▶ requires review of rules made related to bonding requirements;
- ▶ modifies the process for imposing and collecting administrative penalties;
- ▶ creates the Oil and Gas Administrative Penalties Account; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

40-6-2, as last amended by Laws of Utah 2017, Chapter 220

40-6-5, as last amended by Laws of Utah 2012, Chapter 342

40-6-9.5, as last amended by Laws of Utah 1989, Chapter 22

40-6-11, as last amended by Laws of Utah 1987, Chapter 161

63I-1-263, as last amended by Laws of Utah 2019, Chapters 89, 246, 311, 414, 468,
469, 482 and last amended by Coordination Clause, Laws of Utah 2019, Chapter
246

63I-2-263, as last amended by Laws of Utah 2019, Chapters 182, 240, 246, 325, 370,
and 483

63J-1-602.1, as last amended by Laws of Utah 2019, Chapters 89, 136, 213, 215, 244,
326, 342, and 482

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **40-6-2** is amended to read:

40-6-2. Definitions.

For the purpose of this chapter:

(1) "Board" means the Board of Oil, Gas, and Mining.

(2) "Correlative rights" means the opportunity of each owner in a pool to produce ~~his~~
the owner's just and equitable share of the oil and gas in the pool without waste.

(3) "Condensate" means hydrocarbons, regardless of gravity, that:

(a) occur naturally in the gaseous phase in the reservoir; and

(b) are separated from the natural gas as liquids through the process of condensation
either in the reservoir, in the wellbore, or at the surface in field separators.

(4) "Consenting owner" means an owner who, in the manner and within the time frame
established by the board in rule, consents to the drilling and operation of a well and agrees to
bear the owner's proportionate share of the costs of the drilling and operation of the well.

(5) "Crude oil" means hydrocarbons, regardless of gravity, that:

(a) occur naturally in the liquid phase in the reservoir; and

(b) are produced and recovered at the wellhead in liquid form.

(6) "Division" means the Division of Oil, Gas, and Mining.

~~[(6)]~~ (7) (a) "Gas" means natural gas, as defined in Subsection ~~[(9)]~~ (10), natural gas
liquids, as defined in Subsection ~~[(10)]~~ (11), other gas, as defined in Subsection ~~[(16)]~~ (17), or
any mixture of them.

(b) "Gas" does not include any gaseous or liquid substance processed from coal, oil
shale, or tar sands.

58 ~~[(7)]~~ (8) "Illegal oil" or "illegal gas" means oil or gas that has been produced from any
59 well within the state in violation of this chapter or any rule or order of the board.

60 ~~[(8)]~~ (9) "Illegal product" means any product derived in whole or in part from illegal
61 oil or illegal gas.

62 ~~[(9)]~~ (10) (a) "Natural gas" means hydrocarbons that occur naturally in the gaseous
63 phase in the reservoir and are produced and recovered at the wellhead in gaseous form, except
64 natural gas liquids as defined in Subsection ~~[(10)]~~ (11) and condensate as defined in Subsection
65 (3).

66 (b) "Natural gas" includes coalbed methane gas.

67 ~~[(10)]~~ (11) "Natural gas liquids" means hydrocarbons, regardless of gravity, that are
68 separated from natural gas as liquids in gas processing plants through the process of
69 condensation, absorption, adsorption, or other methods.

70 ~~[(11)]~~ (12) "Nonconsenting owner" means an owner who does not, after written notice
71 and in the manner and within the time frame established by the board in rule, consent to the
72 drilling and operation of a well or agree to bear the owner's proportionate share of the costs.

73 ~~[(12)]~~ (13) (a) "Oil" means crude oil, as defined in Subsection (5), condensate, as
74 defined in Subsection (3), or any mixture of them.

75 (b) "Oil" does not include any gaseous or liquid substance processed from coal, oil
76 shale, or tar sands.

77 ~~[(13)]~~ (14) "Oil and gas operations" means to explore for, develop, or produce oil and
78 gas.

79 ~~[(14)]~~ (15) (a) "Oil and gas proceeds" means any payment that:

80 (i) derives from oil and gas production from any well located in the state;

81 (ii) is expressed as a right to a specified interest in the:

82 (A) cash proceeds received from the sale of the oil and gas; or

83 (B) the cash value of the oil and gas; and

84 (iii) is subject to any tax withheld from the payment pursuant to law.

85 (b) "Oil and gas proceeds" includes a royalty interest, overriding royalty interest,

production payment interest, or working interest.

(c) "Oil and gas proceeds" does not include a net profits interest or other interest the extent of which cannot be determined with reference to a specified share of:

(i) the cash proceeds received from the sale of the oil and gas; or

(ii) the cash value of the oil and gas.

~~[(15)]~~ (16) "Operator" means a person who has been designated by the owners or the board to operate a well or unit.

~~[(16)]~~ (17) (a) "Other gas" means nonhydrocarbon gases that:

(i) occur naturally in the gaseous phase in the reservoir; or

(ii) are injected into the reservoir in connection with pressure maintenance, gas cycling, or other secondary or enhanced recovery projects.

(b) "Other gas" includes hydrogen sulfide, carbon dioxide, helium, and nitrogen.

~~[(17)]~~ (18) "Owner" means a person who has the right:

(a) to drill into and produce from a reservoir; and

(b) to appropriate the oil and gas produced for ~~himself~~ that person or for ~~himself~~ that person and others.

~~[(18)]~~ (19) "Payor" means the person who undertakes to distribute oil and gas proceeds to the persons entitled to them, whether as the first purchaser of that production, as operator of the well from which the production was obtained, or as lessee under the lease on which royalty is due.

(20) "Person" means the same as that term is defined in Section [68-3-12.5](#) and includes an operator or owner as used in this chapter.

~~[(19)]~~ (21) "Pool" means an underground reservoir containing a common accumulation of oil or gas or both. Each zone of a general structure that is completely separated from any other zone in the structure is a separate pool. "Common source of supply" and "reservoir" are synonymous with "pool."

~~[(20)]~~ (22) "Pooling" means the bringing together of separately owned interests for the common development and operation of a drilling unit.

114 ~~[(21)]~~ (23) "Producer" means the owner or operator of a well capable of producing oil
115 and gas.

116 ~~[(22)]~~ (24) "Product" means any commodity made from oil and gas.

117 ~~[(23)]~~ (25) "Surface land" means privately owned land:

118 (a) overlying privately owned oil and gas resources;

119 (b) upon which oil and gas operations are conducted; and

120 (c) owned by a surface land owner.

121 ~~[(24)]~~ (26) (a) "Surface land owner" means a person who owns, in fee simple absolute,
122 all or part of the surface land as shown by the records of the county where the surface land is
123 located.

124 (b) "Surface land owner" does not include the surface land owner's lessee, renter,
125 tenant, or other contractually related person.

126 ~~[(25)]~~ (27) "Surface land owner's property" means a surface land owner's:

127 (a) surface land;

128 (b) crops on the surface land; and

129 (c) existing improvements on the surface land.

130 ~~[(26)]~~ (28) "Surface use agreement" means an agreement between an owner or operator
131 and a surface land owner addressing:

132 (a) the use and reclamation of surface land owned by the surface land owner; and

133 (b) compensation for damage to the surface land caused by oil and gas operations that
134 result in:

135 (i) loss of the surface land owner's crops on the surface land;

136 (ii) loss of value of existing improvements owned by the surface land owner on the
137 surface land; and

138 (iii) permanent damage to the surface land.

139 ~~[(27)]~~ (29) "Waste" means:

140 (a) the inefficient, excessive, or improper use or the unnecessary dissipation of oil or
141 gas or reservoir energy;

(b) the inefficient storing of oil or gas;
(c) the locating, drilling, equipping, operating, or producing of any oil or gas well in a manner that causes:

(i) a reduction in the quantity of oil or gas ultimately recoverable from a reservoir under prudent and economical operations;
(ii) unnecessary wells to be drilled; or
(iii) the loss or destruction of oil or gas either at the surface or subsurface; or
(d) the production of oil or gas in excess of:
(i) transportation or storage facilities; or
(ii) the amount reasonably required to be produced as a result of the proper drilling, completing, testing, or operating of a well or otherwise utilized on the lease from which it is produced.

Section 2. Section **40-6-5** is amended to read:

40-6-5. Jurisdiction of board -- Rules.

(1) The board has jurisdiction over all persons and property necessary to enforce this chapter. The board shall ~~[enact]~~ make rules in accordance with ~~[the]~~ Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(2) The board shall ~~[adopt]~~ make rules and ~~[make]~~ orders as necessary to administer the following provisions:

(a) Ownership of all facilities for the production, storage, treatment, transportation, refining, or processing of oil and gas shall be identified.

(b) Well logs, directional surveys, and reports on well location, drilling, and production shall be made and filed with the division. Logs of wells marked "confidential" shall be kept confidential for one year after the date on which the log is required to be filed, unless the operator gives written permission to release the log at an earlier date. Production reports shall be:

(i) filed monthly;
(ii) accurate; and

(iii) in a form that reasonably serves the needs of state agencies and private fee owners.

(c) Monthly reports from gas processing plants shall be filed with the division.

(d) Wells shall be drilled, cased, cemented, operated, and plugged in such manner as to prevent:

(i) the escape of oil, gas, or water out of the reservoir in which they are found into another formation;

(ii) the detrimental intrusion of water into an oil or gas reservoir;

(iii) the pollution of fresh water supplies by oil, gas, or salt water;

(iv) blowouts;

(v) cavings;

(vi) seepages;

(vii) fires; and

(viii) unreasonable:

(A) loss of a surface land owner's crops on surface land;

(B) loss of value of existing improvements owned by a surface land owner on surface land; and

(C) permanent damage to surface land.

(e) The drilling of wells [~~shall~~] may not commence without an adequate and approved supply of water as required by Title 73, Chapter 3, Appropriation. This [~~provision~~] Subsection (2)(e) is not intended to impose [~~any~~] additional legal requirements, but to assure that existing legal requirements concerning the use of water have been met [~~prior to~~] before the commencement of drilling.

(f) [~~The~~] Subject to Subsection (9), an operator shall furnish a reasonable performance bond or other good and sufficient surety, conditioned for the performance of the duty to:

(i) plug each dry or abandoned well;

(ii) repair each well causing waste or pollution;

(iii) maintain and restore the well site; and

(iv) except as provided in Subsection (8), protect a surface land owner against

198 unreasonable:

199 (A) loss of a surface land owner's crops on surface land;

200 (B) loss of value of existing improvements owned by a surface land owner on surface
201 land; and

202 (C) permanent damage to surface land.

203 (g) Production from wells shall be separated into oil and gas and measured by means
204 and upon standards that ~~[will be]~~ are prescribed by the board and ~~[will]~~ reflect current industry
205 standards.

206 (h) Crude oil obtained from any reserve pit, disposal pond or pit, or similar facility, and
207 any accumulation of nonmerchantable waste crude oil shall be treated and processed, as
208 prescribed by the board.

209 (i) Any person who produces, sells, purchases, acquires, stores, transports, refines, or
210 processes oil or gas or injects fluids for cycling, pressure maintenance, secondary or enhanced
211 recovery, or salt water disposal in this state shall maintain complete and accurate records of the
212 quantities produced, sold, purchased, acquired, stored, transported, refined, processed, or
213 injected for a period of at least six years. The records shall be available for examination by the
214 board or ~~[its]~~ the board's agents at any reasonable time. Rules enacted to administer this
215 ~~[subsection]~~ Subsection (2)(i) shall be consistent with applicable federal requirements.

216 (j) Any person with an interest in a lease shall be notified when all or part of that
217 interest in the lease is sold or transferred.

218 (k) The assessment and collection of administrative penalties is consistent with Section
219 40-6-11.

220 (3) The board has the authority to regulate:

221 (a) all operations for and related to the production of oil or gas including:

222 (i) drilling, testing, equipping, completing, operating, producing, and plugging of
223 wells; and

224 (ii) reclamation of sites;

225 (b) the spacing and location of wells;

- 226 (c) operations to increase ultimate recovery, such as:
- 227 (i) cycling of gas;
- 228 (ii) the maintenance of pressure; and
- 229 (iii) the introduction of gas, water, or other substances into a reservoir;
- 230 (d) the disposal of salt water and oil-field wastes;
- 231 (e) the underground and surface storage of oil, gas, or products; and
- 232 (f) the flaring of gas from an oil well.
- 233 (4) For the purposes of administering this chapter, the board may designate:
- 234 (a) wells as:
- 235 (i) oil wells; or
- 236 (ii) gas wells; and
- 237 (b) pools as:
- 238 (i) oil pools; or
- 239 (ii) gas pools.
- 240 (5) The board has exclusive jurisdiction over:
- 241 (a) class II injection wells, as defined by the federal Environmental Protection Agency
- 242 or ~~any~~ a successor agency; and
- 243 (b) pits and ponds in relation to these injection wells.
- 244 (6) The board has jurisdiction:
- 245 (a) to hear ~~any~~ questions regarding multiple mineral development conflicts with oil
- 246 and gas operations if there:
- 247 (i) is potential injury to other mineral deposits on the same lands; or
- 248 (ii) are simultaneous or concurrent operations conducted by other mineral owners or
- 249 lessees affecting the same lands; and
- 250 (b) to enter ~~its~~ the board's order or rule with respect to those questions.
- 251 (7) The board has enforcement powers with respect to operators of minerals other than
- 252 oil and gas as are set forth in Section 40-6-11, for the sole purpose of enforcing multiple
- 253 mineral development issues.

(8) ~~[The provisions of]~~ Subsection (2)(f)(iv) ~~[do]~~ does not apply if the surface land owner is a party to, or a successor of a party to:

- (a) a lease of the underlying privately owned oil and gas;
- (b) a surface use agreement applicable to the surface land owner's surface land; or
- (c) a contract, waiver, or release addressing an owner's or operator's use of the surface land owner's surface land.

(9) (a) The board shall review rules made under Subsection (2)(f) to determine whether the rules provide adequate fiscal security for the fiscal risks to the state related to oil and gas operations.

(b) During the board's review under this Subsection (9), the board may consider the bonding schemes of other states.

Section 3. Section **40-6-9.5** is amended to read:

40-6-9.5. Permits for crude oil production -- Application -- Bond requirement -- Closure of facilities -- Availability of records.

(1) The division may issue permits authorizing construction, operation, maintenance, and cessation of treating facilities and operations covered by Subsection **40-6-5(2)(h)** and to approve, as part of that permit, post-cessation reclamation of the site.

(2) ~~[Each]~~ (a) An owner and operator of ~~[any]~~ a facility described in Subsection **40-6-5(2)(h)** or planning to construct, operate, or maintain a facility described in Subsection **40-6-5(2)(h)** shall submit to the division an application stating in detail:

- (i) the location, type, and capacity of the facility contemplated;
- (ii) the extent and location of area disturbed or to be disturbed including~~[-but not limited to,]~~ any pits, ponds, or lands~~[-]~~ associated with the facility;

(iii) a plan for reclamation of the site; and

(iv) other materials required by the division. ~~[All existing]~~

(b) Existing facilities described in Subsection **40-6-5(2)(h)** shall submit plans by July 28, 1985.

(c) Application for all planned facilities must be approved and a permit issued before

any ground clearing or construction may occur.

(3) (a) As a condition for approval of ~~[any]~~ a permit, the owner and operator shall post a bond in an amount determined by the division to cover reclamation costs for the site consistent with rules made to implement Subsection 40-6-5(2)(f).

(b) Approval of ~~[any]~~ a permit is also conditioned upon compliance with ~~[all]~~ the laws, rules, and orders of the board.

(c) Failure to post the bond is considered sufficient grounds to deny a permit.

(4) The board may order the closure of ~~[any]~~ a facility described in Subsection 40-6-5(2)(h) if:

(a) an application is not forthcoming in the time allowed in Subsection (2);

(b) a bond is not posted;

(c) a violation of the rules and regulations of other state or federal agencies exists; or

(d) for other material and substantial cause.

(5) The owner and operator are subject to ~~[all]~~ applicable state, federal, and local rules and regulations.

(6) The records required to be kept by Subsection 40-6-5(2)(i) shall be available for inspection and audit by the board or ~~[its]~~ the board's agents during reasonable working hours.

Section 4. Section 40-6-11 is amended to read:

40-6-11. Power to summon witnesses, administer oaths and require production of records -- Enforcement -- Penalties for violation of chapter or rules -- Illegal oil or gas -- Civil liability -- Restricted account.

(1) ~~[The]~~ At a hearing or investigation conducted by the board, the board may:

(a) summon witnesses;

(b) administer oaths; and

(c) require the production of records, books, and documents for examination ~~[at any hearing or investigation conducted by it]~~.

(2) (a) If ~~[any]~~ a person fails or refuses to comply with a subpoena issued by the board, or fails or refuses to testify about any matter, the board may apply to ~~[any]~~ a district court in the

state for an order compelling that person to:

(i) comply with the subpoena~~[-and to]~~;

(ii) attend before the board ~~[and]~~;

(iii) produce the subpoenaed records, books, and documents for examination~~[-]~~; and
[to]

(iv) give ~~[his]~~ the person's testimony.

(b) The court may punish the person for contempt as if ~~[he]~~ the person disobeyed a subpoena issued by the court, or if ~~[he]~~ the person refused to testify in a court.

(3) (a) Whenever it appears that ~~[any]~~ a person is violating ~~[any provision of]~~ this chapter or ~~[any]~~ a rule or order made under the authority of this chapter, the board may issue an order requiring compliance within a period not to exceed ~~[30]~~ 45 days.

(b) The board may bring suit in the name of the state against ~~[any]~~ a person violating this chapter, or rules or orders made under the authority of this chapter if:

(i) the violation continues after expiration of the time period granted in Subsection (3)(a);

(ii) the violation presents an immediate threat to public health, safety, or welfare; or

(iii) the violation would cause waste.

(4) (a) ~~[H]~~ Subject to the requirements of this Subsection (4), if the board or division determines, after an adjudicative proceeding conducted in accordance with Title 63G, Chapter 4, Administrative Procedures Act, that ~~[any]~~ a person has violated ~~[any provision of]~~ this chapter, or ~~[any]~~ a permit, rule, or order made under ~~[the provisions of]~~ this chapter, ~~[that person is subject, in a civil proceeding, to a penalty not exceeding]~~ the board or division may impose an administrative penalty on the person not to exceed \$5,000 per day for each day of violation.

(b) If the board determines that the violation is willful, the board may impose an administrative penalty on that person ~~[may be fined not more than]~~ not to exceed \$10,000 for each day of violation.

(c) The board shall, by rule made in accordance with Title 63G, Chapter 3, Utah

Administrative Rulemaking Act, establish a standardized violation schedule to set the violations and the associated administrative penalty for each violation.

(d) A single violation shall result in a single administrative penalty, that may be imposed on a daily basis for each day that the violation remains unresolved following the assessment of the administrative penalty or completion of the appeal.

(e) Before initiation of an adjudicative proceeding or assessing an administrative penalty, and except for circumstances provided in Subsection (5)(b), the division shall provide a notice of violation to the owner and operator in the form and manner set forth by board rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. The rule made under this Subsection (4)(e) shall, at a minimum, require the notice to set forth the actions necessary to cure the violation and a reasonable period of time to cure the violation.

(f) Should an owner or operator fail to cure the violation as set out in the notice of violation under Subsection (4)(e), the division may initiate an adjudicative proceeding conducted in accordance with Title 63G, Chapter 4, Administrative Procedures Act.

(g) Administrative penalties assessed by the division or the board may not exceed \$200,000 per violation per person.

(h) An administrative penalty assessed by the division may be appealed to the board within 30 days of the assessment.

(i) If a violation remains unabated and the maximum penalty amount has accrued, the division may request an emergency order from the board requiring the operator or person to suspend operations of the well or facility in violation. Operations may only resume upon abatement of the violation.

(5) If ordered to do so by the board, the director of the division may order the immediate closure or shutdown of any well that is operating in violation of ~~[the provisions of]~~ this chapter, if the closure or shutdown will not cause waste or is necessary because of an immediate threat to public health, safety, or welfare.

(6) (a) ~~[No]~~ A person may not sell, purchase, acquire, transport, refine, process, or handle illegal oil, gas, or product, if the person knows or has reason to know that the oil, gas, or

product is illegal.

(b) The court in the district where the illegal oil, gas, or product is found, shall, after notice and hearing in an action brought by the board, order the product to be seized and sold, and the proceeds returned or held for the legal owner.

(7) (a) ~~[Nothing in this]~~ This chapter, [and no] a suit by or against the board, and [no] a violation charged or asserted against [any] a person under [any provisions of] this chapter, or [any] a rule or order issued under the authority of this chapter, [shall] may not impair, abridge, or delay [any] a cause of action for damages that [any] a person may have or assert against any person violating [any provision of] this chapter, or [any] a rule or order issued under the authority of this chapter.

(b) ~~[Any]~~ A person damaged by [any] a violation may sue for and recover whatever damages that [he] the person otherwise may be entitled to receive.

(8) After an administrative penalty is assessed under this chapter, the division may collect that administrative penalty as if the administrative penalty were a judgment issued by a court of law so long as the penalized person was provided with notice of the violation, a reasonable opportunity to cure, and an opportunity for a hearing under Title 63G, Chapter 4, Administrative Procedures Act, and the administrative and appellate remedies are exhausted.

(9) (a) There is created within the General Fund a restricted account known as the "Oil and Gas Administrative Penalties Account."

(b) The Oil and Gas Administrative Penalties Account shall consist of:

(i) administrative penalties collected by the board or division under this chapter; and

(ii) interest earned on the Oil and Gas Administrative Penalties Account.

(c) The Oil and Gas Administrative Penalties Account shall earn interest.

(d) Subject to appropriation by the Legislature, the division may use money in the Oil and Gas Administrative Penalties Account to offset:

(i) risks to the public health, safety, or welfare caused by oil and gas operations for impacts and activities covered by bonding; or

(ii) other direct impacts to the general public from oil and gas development as

identified by the board and the executive director of the Department of Natural Resources at a public hearing that are not otherwise addressed through performance bonds allowed by Subsection [40-6-5\(2\)\(f\)](#).

(e) In accordance with Section [63J-1-602.1](#), appropriations from the Oil and Gas Administrative Penalty Account are nonlapsing.

Section 5. Section **63I-1-263** is amended to read:

63I-1-263. Repeal dates, Titles 63A to 63N.

(1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:

(a) Subsection [63A-1-201](#)(1) is repealed;

(b) Subsection [63A-1-202](#)(2)(c), the language that states "using criteria established by the board" is repealed;

(c) Section [63A-1-203](#) is repealed;

(d) Subsections [63A-1-204](#)(1) and (2), the language that states "After consultation with the board, and" is repealed; and

(e) Subsection [63A-1-204](#)(1)(b), the language that states "using the standards provided in Subsection [63A-1-203](#)(3)(c)" is repealed.

(2) Subsection [63A-5-228](#)(2)(h), relating to prioritizing and allocating capital improvement funding, is repealed on July 1, 2024.

(3) Section [63A-5-603](#), State Facility Energy Efficiency Fund, is repealed July 1, 2023.

(4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1, 2028.

(5) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1, 2025.

(6) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1, 2020.

(7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is repealed July 1, 2021.

(8) Title 63C, Chapter 18, Mental Health Crisis Line Commission, is repealed July 1,

2023.

(9) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,

2025.

(10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,

2020.

(11) In relation to the State Fair Corporation Board of Directors, on January 1, 2025:

(a) Subsection 63H-6-104(2)(c), related to a Senate appointment, is repealed;

(b) Subsection 63H-6-104(2)(d), related to a House appointment, is repealed;

(c) in Subsection 63H-6-104(2)(e), the language that states ", of whom only one may be a legislator, in accordance with Subsection (3)(e)," is repealed;

(d) Subsection 63H-6-104(3)(a)(i) is amended to read:

"(3)(a)(i) Except as provided in Subsection (3)(a)(ii), a board member appointed under Subsection (2)(e) or (f) shall serve a term that expires on the December 1 four years after the year that the board member was appointed.";

(e) in Subsections 63H-6-104(3)(a)(ii), (c)(ii), and (d), the language that states "the president of the Senate, the speaker of the House, the governor," is repealed and replaced with "the governor"; and

(f) Subsection 63H-6-104(3)(e), related to limits on the number of legislators, is repealed.

(12) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.

(13) Section 63M-7-212 is repealed on December 31, 2019.

(14) On July 1, 2025:

(a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource Development Coordinating Committee," is repealed;

(b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed sites for the transplant of species to local government officials having jurisdiction over areas that may be affected by a transplant.";

(c) in Subsection 23-14-21(3), the language that states "and the Resource Development

450 Coordinating Committee" is repealed;

451 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development

452 Coordinating Committee created in Section 63J-4-501 and" is repealed;

453 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development

454 Coordinating Committee and" is repealed;

455 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered

456 accordingly;

457 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;

458 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the

459 word "and" is inserted immediately after the semicolon;

460 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);

461 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;

462 and

463 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are

464 renumbered accordingly.

465 (15) Subsection 63J-1-602.1(13), Nurse Home Visiting Restricted Account is repealed

466 July 1, 2026.

467 (16) Subsection 63J-1-602.2(4), referring to dedicated credits to the Utah Marriage

468 Commission, is repealed July 1, 2023.

469 (17) Subsection 63J-1-602.2(5), referring to the Trip Reduction Program, is repealed

470 July 1, 2022.

471 (18) (a) Subsection 63J-1-602.1[(53)](56), relating to the Utah Statewide Radio System

472 Restricted Account, is repealed July 1, 2022.

473 (b) When repealing Subsection 63J-1-602.1[(53)](56), the Office of Legislative

474 Research and General Counsel shall, in addition to the office's authority under Subsection

475 36-12-12(3), make necessary changes to subsection numbering and cross references.

476 (19) Subsection 63J-1-602.2(23), related to the Utah Seismic Safety Commission, is

477 repealed January 1, 2025.

(20) Subsection 63J-4-708(1), in relation to the Talent Ready Utah Board, on January 1, 2023, is amended to read:

"(1) On or before October 1, the board shall provide an annual written report to the Social Services Appropriations Subcommittee and the Economic Development and Workforce Services Interim Committee."

(21) In relation to the Utah Substance Use and Mental Health Advisory Council, on January 1, 2023:

(a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are repealed;

(b) Section 63M-7-305, the language that states "council" is replaced with "commission";

(c) Subsection 63M-7-305(1) is repealed and replaced with:

"(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

(d) Subsection 63M-7-305(2) is repealed and replaced with:

"(2) The commission shall:

(a) provide ongoing oversight of the implementation, functions, and evaluation of the Drug-Related Offenses Reform Act; and

(b) coordinate the implementation of Section 77-18-1.1 and related provisions in Subsections 77-18-1(5)(b)(iii) and (iv)."

(22) The Crime Victim Reparations and Assistance Board, created in Section 63M-7-504, is repealed July 1, 2027.

(23) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2021.

(24) Subsection 63N-1-301(4)(c), related to the Talent Ready Utah Board, is repealed on January 1, 2023.

(25) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

(26) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is repealed January 1, 2021.

(b) Subject to Subsection (26)(c), Sections 59-7-610 and 59-10-1007 regarding tax

credits for certain persons in recycling market development zones, are repealed for taxable years beginning on or after January 1, 2021.

(c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

(i) for the purchase price of machinery or equipment described in Section 59-7-610 or 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

(ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if the expenditure is made on or after January 1, 2021.

(d) Notwithstanding Subsections (26)(b) and (c), a person may carry forward a tax credit in accordance with Section 59-7-610 or 59-10-1007 if:

(i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

(ii) (A) for the purchase price of machinery or equipment described in Section 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31, 2020; or

(B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the expenditure is made on or before December 31, 2020.

(27) Section 63N-2-512 is repealed on July 1, 2021.

(28) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed January 1, 2021.

(b) Section 59-9-107 regarding tax credits against premium taxes is repealed for calendar years beginning on or after January 1, 2021.

(c) Notwithstanding Subsection (28)(b), an entity may carry forward a tax credit in accordance with Section 59-9-107 if:

(i) the person is entitled to a tax credit under Section 59-9-107 on or before December 31, 2020; and

(ii) the qualified equity investment that is the basis of the tax credit is certified under Section 63N-2-603 on or before December 31, 2023.

(29) Subsections 63N-3-109(2)(e) and 63N-3-109(2)(f)(i) are repealed July 1, 2023.

(30) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed

534 July 1, 2023.

535 (31) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant Program,
536 is repealed January 1, 2023.

537 (32) In relation to the Pete Suazo Utah Athletic Commission, on January 1, 2021:

538 (a) Subsection 63N-10-201(2)(a) is amended to read:

539 "(2) (a) The governor shall appoint five commission members with the advice and
540 consent of the Senate.";

541 (b) Subsection 63N-10-201(2)(b), related to legislative appointments, is repealed;

542 (c) in Subsection 63N-10-201(3)(a), the language that states ", president, or speaker,
543 respectively," is repealed; and

544 (d) Subsection 63N-10-201(3)(d) is amended to read:

545 "(d) The governor may remove a commission member for any reason and replace the
546 commission member in accordance with this section.".

547 (33) In relation to the Talent Ready Utah Board, on January 1, 2023:

548 (a) Subsection 9-22-102(16) is repealed;

549 (b) in Subsection 9-22-114(2), the language that states "Talent Ready Utah," is
550 repealed; and

551 (c) in Subsection 9-22-114(5), the language that states "representatives of Talent Ready
552 Utah," is repealed.

553 (34) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed January 1,
554 2023.

555 Section 6. Section 63I-2-263 is amended to read:

556 **63I-2-263. Repeal dates, Title 63A to Title 63N.**

557 (1) On July 1, 2020:

558 (a) Subsection 63A-1-203(5)(a)(i) is repealed; and

559 (b) in Subsection 63A-1-203(5)(a)(ii), the language that states "appointed on or after
560 May 8, 2018," is repealed.

561 (2) Sections 63C-4a-307 and 63C-4a-309 are repealed January 1, 2020.

(3) Title 63C, Chapter 19, Higher Education Strategic Planning Commission is repealed July 1, 2020.

(4) The following sections regarding the World War II Memorial Commission are repealed on July 1, 2020:

(a) Section 63G-1-801;

(b) Section 63G-1-802;

(c) Section 63G-1-803; and

(d) Section 63G-1-804.

(5) In relation to the State Fair Park Committee, on January 1, 2021:

(a) Section 63H-6-104.5 is repealed; and

(b) Subsections 63H-6-104(8) and (9) are repealed.

(6) Section 63H-7a-303 is repealed on July 1, 2022.

(7) In relation to the Employability to Careers Program Board, on July 1, 2022:

(a) Subsection 63J-1-602.1[(52)](57) is repealed;

(b) Subsection 63J-4-301(1)(h), related to the review of data and metrics, is repealed; and

(c) Title 63J, Chapter 4, Part 7, Employability to Careers Program, is repealed.

(8) Section 63J-4-708 is repealed January 1, 2023.

Section 7. Section 63J-1-602.1 is amended to read:

63J-1-602.1. List of nonlapsing appropriations from accounts and funds.

Appropriations made from the following accounts or funds are nonlapsing:

(1) The Utah Intracurricular Student Organization Support for Agricultural Education and Leadership Restricted Account created in Section 4-42-102.

(2) The Native American Repatriation Restricted Account created in Section 9-9-407.

(3) The Martin Luther King, Jr. Civil Rights Support Restricted Account created in Section 9-18-102.

(4) The National Professional Men's Soccer Team Support of Building Communities Restricted Account created in Section 9-19-102.

- 590 (5) Funds collected for directing and administering the C-PACE district created in
591 Section [11-42a-302](#).
- 592 (6) The "Support for State-Owned Shooting Ranges Restricted Account" created in
593 Section [23-14-13.5](#).
- 594 (7) Award money under the State Asset Forfeiture Grant Program, as provided under
595 Section [24-4-117](#).
- 596 (8) Funds collected from the program fund for local health department expenses
597 incurred in responding to a local health emergency under Section [26-1-38](#).
- 598 (9) Funds collected from the emergency medical services grant program, as provided in
599 Section [26-8a-207](#).
- 600 (10) The Children with Cancer Support Restricted Account created in Section
601 [26-21a-304](#).
- 602 (11) State funds for matching federal funds in the Children's Health Insurance Program
603 as provided in Section [26-40-108](#).
- 604 (12) The Children with Heart Disease Support Restricted Account created in Section
605 [26-58-102](#).
- 606 (13) The Nurse Home Visiting Restricted Account created in Section [26-63-601](#).
- 607 (14) The Technology Development Restricted Account created in Section [31A-3-104](#).
- 608 (15) The Criminal Background Check Restricted Account created in Section
609 [31A-3-105](#).
- 610 (16) The Captive Insurance Restricted Account created in Section [31A-3-304](#), except
611 to the extent that Section [31A-3-304](#) makes the money received under that section free revenue.
- 612 (17) The Title Licensee Enforcement Restricted Account created in Section
613 [31A-23a-415](#).
- 614 (18) The Health Insurance Actuarial Review Restricted Account created in Section
615 [31A-30-115](#).
- 616 (19) The Insurance Fraud Investigation Restricted Account created in Section
617 [31A-31-108](#).

- 618 (20) The Underage Drinking Prevention Media and Education Campaign Restricted
619 Account created in Section [32B-2-306](#).
- 620 (21) The School Readiness Restricted Account created in Section [35A-15-203](#).
- 621 (22) Money received by the Utah State Office of Rehabilitation for the sale of certain
622 products or services, as provided in Section [35A-13-202](#).
- 623 (23) The Oil and Gas Administrative Penalties Account created in Section [40-6-11](#).
- 624 ~~[(23)]~~ (24) The Oil and Gas Conservation Account created in Section [40-6-14.5](#).
- 625 ~~[(24)]~~ (25) The Electronic Payment Fee Restricted Account created by Section
626 [41-1a-121](#) to the Motor Vehicle Division.
- 627 ~~[(25)]~~ (26) The Motor Vehicle Enforcement Division Temporary Permit Restricted
628 Account created by Section [41-3-110](#) to the State Tax Commission.
- 629 ~~[(26)]~~ (27) The Utah Law Enforcement Memorial Support Restricted Account created
630 in Section [53-1-120](#).
- 631 ~~[(27)]~~ (28) The State Disaster Recovery Restricted Account to the Division of
632 Emergency Management, as provided in Section [53-2a-603](#).
- 633 ~~[(28)]~~ (29) The Department of Public Safety Restricted Account to the Department of
634 Public Safety, as provided in Section [53-3-106](#).
- 635 ~~[(29)]~~ (30) The Utah Highway Patrol Aero Bureau Restricted Account created in
636 Section [53-8-303](#).
- 637 ~~[(30)]~~ (31) The DNA Specimen Restricted Account created in Section [53-10-407](#).
- 638 ~~[(31)]~~ (32) The Canine Body Armor Restricted Account created in Section [53-16-201](#).
- 639 ~~[(32)]~~ (33) The Technical Colleges Capital Projects Fund created in Section
640 [53B-2a-118](#).
- 641 ~~[(33)]~~ (34) The Higher Education Capital Projects Fund created in Section
642 [53B-22-202](#).
- 643 ~~[(34)]~~ (35) A certain portion of money collected for administrative costs under the
644 School Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).
- 645 ~~[(35)]~~ (36) The Public Utility Regulatory Restricted Account created in Section

646 54-5-1.5, subject to Subsection 54-5-1.5(4)(d).

647 ~~[(36)]~~ (37) Funds collected from a surcharge fee to provide certain licensees with
648 access to an electronic reference library, as provided in Section 58-3a-105.

649 ~~[(37)]~~ (38) Certain fines collected by the Division of Occupational and Professional
650 Licensing for violation of unlawful or unprofessional conduct that are used for education and
651 enforcement purposes, as provided in Section 58-17b-505.

652 ~~[(38)]~~ (39) Funds collected from a surcharge fee to provide certain licensees with
653 access to an electronic reference library, as provided in Section 58-22-104.

654 ~~[(39)]~~ (40) Funds collected from a surcharge fee to provide certain licensees with
655 access to an electronic reference library, as provided in Section 58-55-106.

656 ~~[(40)]~~ (41) Funds collected from a surcharge fee to provide certain licensees with
657 access to an electronic reference library, as provided in Section 58-56-3.5.

658 ~~[(41)]~~ (42) Certain fines collected by the Division of Occupational and Professional
659 Licensing for use in education and enforcement of the Security Personnel Licensing Act, as
660 provided in Section 58-63-103.

661 ~~[(42)]~~ (43) The Relative Value Study Restricted Account created in Section 59-9-105.

662 ~~[(43)]~~ (44) The Cigarette Tax Restricted Account created in Section 59-14-204.

663 ~~[(44)]~~ (45) Funds paid to the Division of Real Estate for the cost of a criminal
664 background check for a mortgage loan license, as provided in Section 61-2c-202.

665 ~~[(45)]~~ (46) Funds paid to the Division of Real Estate for the cost of a criminal
666 background check for principal broker, associate broker, and sales agent licenses, as provided
667 in Section 61-2f-204.

668 ~~[(46)]~~ (47) Certain funds donated to the Department of Human Services, as provided in
669 Section 62A-1-111.

670 ~~[(47)]~~ (48) The National Professional Men's Basketball Team Support of Women and
671 Children Issues Restricted Account created in Section 62A-1-202.

672 ~~[(48)]~~ (49) Certain funds donated to the Division of Child and Family Services, as
673 provided in Section 62A-4a-110.

674 ~~[(49)]~~ (50) The Choose Life Adoption Support Restricted Account created in Section
675 [62A-4a-608](#).

676 ~~[(50)]~~ (51) Funds collected by the Office of Administrative Rules for publishing, as
677 provided in Section [63G-3-402](#).

678 ~~[(51)]~~ (52) The Immigration Act Restricted Account created in Section [63G-12-103](#).

679 ~~[(52)]~~ (53) Money received by the military installation development authority, as
680 provided in Section [63H-1-504](#).

681 ~~[(53)]~~ (54) The Computer Aided Dispatch Restricted Account created in Section
682 [63H-7a-303](#).

683 ~~[(54)]~~ (55) The Unified Statewide 911 Emergency Service Account created in Section
684 [63H-7a-304](#).

685 ~~[(55)]~~ (56) The Utah Statewide Radio System Restricted Account created in Section
686 [63H-7a-403](#).

687 ~~[(56)]~~ (57) The Employability to Careers Program Restricted Account created in
688 Section [63J-4-703](#).

689 ~~[(57)]~~ (58) The Motion Picture Incentive Account created in Section [63N-8-103](#).

690 ~~[(58)]~~ (59) Certain money payable for expenses of the Pete Suazo Utah Athletic
691 Commission, as provided under Section [63N-10-301](#).

692 ~~[(59)]~~ (60) Funds collected by the housing of state probationary inmates or state parole
693 inmates, as provided in Subsection [64-13e-104\(2\)](#).

694 ~~[(60)]~~ (61) Certain forestry and fire control funds utilized by the Division of Forestry,
695 Fire, and State Lands, as provided in Section [65A-8-103](#).

696 ~~[(61)]~~ (62) The Transportation of Veterans to Memorials Support Restricted Account
697 created in Section [71-14-102](#).

698 ~~[(62)]~~ (63) The Amusement Ride Safety Restricted Account, as provided in Section
699 [72-16-204](#).

700 ~~[(63)]~~ (64) Certain funds received by the Office of the State Engineer for well drilling
701 fines or bonds, as provided in Section [73-3-25](#).

702 ~~[(64)]~~ (65) The Water Resources Conservation and Development Fund, as provided in
703 Section 73-23-2.

704 ~~[(65)]~~ (66) Funds donated or paid to a juvenile court by private sources, as provided in
705 Subsection 78A-6-203(1)(c).

706 ~~[(66)]~~ (67) Fees for certificate of admission created under Section 78A-9-102.

707 ~~[(67)]~~ (68) Funds collected for adoption document access as provided in Sections
708 78B-6-141, 78B-6-144, and 78B-6-144.5.

709 ~~[(68)]~~ (69) Funds collected for indigent defense as provided in Title 78B, Chapter 22,
710 Part 4, Utah Indigent Defense Commission.

711 ~~[(69)]~~ (70) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades
712 State Park, Jordan River State Park, and Green River State Park, as provided under Section
713 79-4-403.

714 ~~[(70)]~~ (71) Certain funds received by the Division of Parks and Recreation from the
715 sale or disposal of buffalo, as provided under Section 79-4-1001.